

1918—



—1945

Entered as 2nd class matter

Alfred University Reading Room

Alfred

New York

ALFRED UNIVERSITY LIBRARY

FOREIGN POLICY BULLETIN

An interpretation of current international events by the Research Staff of the Foreign Policy Association

FOREIGN POLICY ASSOCIATION, Incorporated

22 East 38th Street, New York 16, N. Y.

VOL. XXV, No. 11

DECEMBER 28, 1945

ALLIES SEEK FORMULA TO END INDONESIAN IMPASSE

BLOODSHED in Java goes on week after week while the Indonesian uprising against the Dutch appears to have reached an impasse in which neither side will make concessions satisfactory to the other. Leaders of the Netherlands government were scheduled to go to London on December 26 to talk with British officials, but it was reported unofficially that the Dutch planned to clarify details rather than to modify their present stand. Indications of an eventual end to the fighting are not, however, entirely absent, despite the spread of violence to the neighboring island of Sumatra. By December 7 slogans on Batavia street cars, which used to proclaim that the Indonesians would rather "live in hell" than be restored to Dutch rule, for the first time were calling for peace and denouncing the extremist youth movement for being too hot-blooded. Evidence of further division within Indonesian ranks came on December 15 when the British announced that Arosdji, the chief of the Indonesian People's Peace Army (TKR), had recommended military action against extremist Nationalist forces. Four days later the United States, in its first mild but definite statement of policy on the Indonesian affair, publicly expressed its earnest hopes for an early renewal of negotiations between Dutch and Indonesian leaders to end the fighting. Perhaps it was this conjunction of circumstances which led the British to postpone the application of the "strong" policy in Java which, according to some reports, was decided upon at the Singapore conference of December 6.

COMPLEXITY OF THE INDONESIAN PROBLEM. Meanwhile, the rice crop that should be harvested in the spring is not being fully planted and food is already short, a very dangerous situation in the island of Java which is not much larger than New York State, but has a population increasing by more

than 700,000 every year and already approaching 49,000,000. The island needs a careful program of industrial development designed to avoid the evils of overurbanization; more work must be done to improve the agricultural output; and education must persuade reluctant natives to emigrate to less populated parts of the Indies. With its very low standard of living, its 25 languages and 250 dialects, its overwhelmingly illiterate peasantry and consequent unreadiness for democratic government, Indonesia has not only been exploited by Dutch capitalists but also by a large group of Chinese middlemen. The economic framework holding these elements together is very complex, however, and it is possible that merely to remove Dutch rule would result in confusion that would harm native welfare and increase world insecurity by laying Indonesia open to potentially ambitious neighbors.

The chief difference between the conduct of Indonesians and most colonial peoples today is due to the unexpectedly abrupt end of the war which found Indonesia without Dutch or Allied troops present, while many thousands of surrendering Japanese whose modern weapons of war could be seized were at hand. Nearly 200,000 Dutch and Eurasians who had been held in Japanese concentration camps were also available as hostages for Indonesian nationalists to hold. Dr. Soekarno and his followers promptly proclaimed an Indonesian Republic and succeeded in establishing its authority over a fairly wide area.

DUTCH BLUNDERS. The Dutch government in this crisis contented itself with little more than a reiteration of Queen Wilhelmina's vague 1942 promise of Dominion status for Indonesia. Dutch leaders evidently underestimated Soekarno's strength. At least they confused the issue by stating that he was nothing but a Japanese puppet with whom

Contents of this BULLETIN may be reprinted with credit to the Foreign Policy Association.

they were honor-bound not to deal. While it is true that Soekarno worked with the Japanese and even went so far as to burn President Roosevelt in effigy shortly before the war ended, he is no Laval—for the record shows that he was thrice imprisoned by the Dutch prior to the war because of his crusade for Indonesian freedom. In any case, the Indonesians scored a tactical success over the Dutch by replacing Soekarno with the reputedly more moderate Sutan Sjahrir. Dutch policy also revealed a number of contradictions. On one occasion acting Governor-General Van Mook was reported to have been authorized to negotiate with Soekarno, only to have his efforts repudiated shortly afterward by his own government. Had the Dutch made more precise and generous concessions at the beginning of the uprising, it is possible an agreement might have been reached, or, at least, the Indonesian position would have been weakened. The ensuing bloodshed, however, has only made the Indonesians more obdurate. Even if the Dutch succeed in their present wish to bring in 28,000 troops within the coming months to maintain the order that the British hope meanwhile to restore, they may face a lasting heritage of Indonesian bitterness.

BRITISH DILEMMA. It was General Marshall, on behalf of General MacArthur, who persuaded the Combined Chiefs of Staff to turn responsibility for Indonesia over to Admiral Mountbatten's British forces, leaving General MacArthur free to concentrate on the invasion of Japan. When the war ended it was therefore British rather than American soldiers who had the twofold responsibility of carrying out the V-J surrender terms by disarming the 70,000 (one estimate says 150,000) Japanese troops in the islands, and assuring the safety of many Dutch and Eurasian prisoners who had been interned by the

Japanese. The Earl of Halifax, British Ambassador to the United States, declared on December 14 that there were still 30,000 armed Japanese in Java, while 70,000 women and children in Batavia alone were in grave danger from Indonesian extremists. "We have been given a job," he said, "and it is surely our duty to see it through." This emphasis on British responsibility is, however, but one side of the story. The British face a serious dilemma. While they are definitely conscious of world criticism and would therefore like to end the Indonesian muddle, they at the same time feel the need for solidarity in Dutch, French and British colonial policy.

CAUTIOUS POLICY OF THE UNITED STATES. The State Department's statement of December 19, urging peace for Indonesia, was prompted partly by attacks on the United States government for its failure to intervene on behalf of the Indonesians. Yet it is understandable that this country should move with discretion in so complex a situation. Not only native welfare, but Allied solidarity and world security are at stake. The Dutch colonial problem is so closely bound up with similar problems of the French and British that an attack on the Dutch is likely to endanger our friendly relations with Britain, which already fears that there are too many Americans who would like to break up the British Empire.

On the other hand, the right of the Indonesians to a voice in their own affairs cannot be denied, and American idealism should lead the campaign for steady progress toward self-government for all dependent peoples. American policy avoids antagonizing the Dutch and British, but at the same time suggests our sympathy with native aspirations, thereby putting pressure on the Dutch to make liberal concessions.

VERNON MCKAY

SCANDINAVIAN COUNTRIES DISCUSS REMEDIES FOR COMMON PROBLEMS

STOCKHOLM.—As soon as the collapse of Germany last May brought about the liberation of Denmark and Norway, the Scandinavian countries resumed their pre-war discussions for closer cooperation in the political, economic and social fields. During the past few months, meetings have taken place in Stockholm, Copenhagen and Oslo to strengthen the many ties which before the war linked these countries into the so-called Scandinavian bloc.

POLITICAL TRUCE. With the possible exception of Finland—where the hard terms of the Finno-Russian armistice have created a difficult political situation—the countries of the Scandinavian group are among the most stable in Europe. The general elections held in Norway on October 8 and in Denmark on October 30—the first since the war's end—show that the Scandinavians wish to keep their time-tested systems of democratic government. Extreme

leftist groups gained little, if any, ground. The proportion of Communist votes, for instance, was relatively small—and in direct relation to the general material condition of the people. In Norway, widely ransacked and impoverished during nearly five years of German occupation, the percentage is near 20; in Denmark, occupied but not extensively depleted—Hitler's idea having been to use it as a "model protectorate" in order to persuade other countries not to resist German demands—it is 9; and in Sweden, untouched by the war and as prosperous as ever, it is about 6 per cent.

Because of its neutrality in World War II, Sweden occupies with respect to the United Nations Organization a different position from that of Norway and Denmark, which are already members of UNO. It would seem probable that in the near future an invitation will be extended to Sweden and to other

"peace-loving" neutrals to join the United Nations—and share the military and other obligations set by the San Francisco Charter for member states. Swedish public opinion appears divided over this issue. The present United Nations Organization is criticized by some Swedes because of the preponderance it gives to the great powers.

ECONOMIC RECOVERY. Sweden's economy suffered little from the war. Compared to the rest of today's Europe, Sweden is a real paradise of plenty, where practically everything—from American cigarettes to German knickknacks—can be obtained freely and at prices only moderately above those of pre-war years. Its industrial production as a whole has now risen to the highest level it had reached since the beginning of the Skagerrak blockade in April 1940, and Sweden even had to ration the export of certain domestic goods, such as forestry products, for which the demand abroad widely exceeded the possibilities of production and shipping. Although its national debt increased from 2,700,000 crowns to 11,400,000 crowns during the war years, due mostly to rearmament expenses, Sweden's financial situation is sound. This favorable outlook permits the country to lend a helping hand in the reconstruction of the war-stricken Northern countries by way of credits and relief, the amount of which is estimated to total by now over 3,000,000,000 Swedish crowns (about \$600,000,000).

Norway and Finland suffered most from the war. One of Norway's greatest economic assets, its mercantile and fishing fleets, was to a large extent destroyed, and the country was extensively depleted of its capital goods and commodity stocks during the German occupation. Many years will be needed to reach pre-war levels. Substantial orders for ships have now been given to Swedish yards, while the numerous smaller Norwegian firms are booked up for several years for the construction of smaller

craft. Denmark suffered least of all countries occupied by Germany. Although it has a claim of some 11,000,000 Danish crowns (around \$2,000,000) against Germany for unpaid deliveries and war damages, its financial situation is sound. The public debt rose from 1.5 billion to 3 billion crowns during the war, but Denmark had relatively few war expenses compared to other European countries.

SOCIAL COOPERATION. Conscious of the fact that social peace in the post-war period can be attained only if sufficient employment is available to all, the countries of the Scandinavian bloc are trying to create a common reservoir of labor forces, trained or otherwise, on which they can draw in case of need. In some countries, as in Sweden, skilled workers are scarce, while in others they are relatively numerous, especially in Denmark, whose economy was always based on large-scale export.

In this respect an important—although little-publicized—step forward was the adoption, during a recent meeting of the Social Ministers of the Scandinavian nations in Copenhagen, of a draft agreement for a joint labor market. This, and other similar steps which will undoubtedly follow in the near future, should bring the Scandinavian countries nearer to the close economic and political federation advocated by so many of their most prominent leaders.

ERNEST S. HEDIGER

(Ernest S. Hediger, formerly a member of the FPA Research Department, has been spending several months in Europe where, among other assignments, he attended the International Labor Organization Conference in Paris.)

NOTICE TO MEMBERS

We are glad to announce that **HEADLINE SERIES No. 54, *Europe's Homeless Millions***, will be sent to members in late January. We regret the delay in publication of this issue, due to production difficulties. **No. 55, *Restless India***, will follow in February.

THE F.P.A. BOOKSHELF

Can Representative Government Do the Job? by Thomas K. Finletter. New York, Reynal and Hitchcock, 1945. \$2.00

To strengthen cooperation between the various branches of our government, Mr. Finletter, former Special Assistant to the Secretary of State, proposes three governmental reforms: a sharp reduction in the number of Congressional committees; the creation of a legislative-executive committee, made up of Cabinet members and the above committee heads; and the adoption of a constitutional amendment providing for the possibility of dissolution of Congress and new elections in case the Executive and Congress are in deadlock.

Lower Deck, by Lieut. John Davies, R.N.V.R. New York, Macmillan, 1945. \$2.00

This simple, vividly told story of the hazardous work of a British destroyer's gun crew in convoying to Malta during its siege makes thrilling reading.

The Arab Island, by Freya Stark. New York, Knopf, 1945. \$3.50

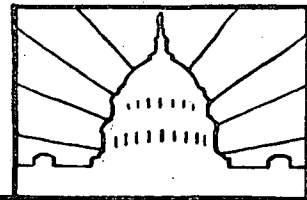
A lively account of the successful attempt of the British to hold the Arab world on the side of the Allies during World War II. The author, who knows the Middle East well, sides with the Arabs on the controversial Zionist issue and favors the creation of an Arab federation.

FOREIGN POLICY BULLETIN, Vol. XXV, No. 11, DECEMBER 28, 1945. Published weekly by the Foreign Policy Association, Incorporated. National Headquarters, 22 East 38th Street, New York 16, N. Y. FRANK ROSS MCCOY, *President*; DOROTHY F. LEET, *Secretary*; VERA MICHELES DEAN, *Editor*. Entered as second-class matter December 2, 1921, at the Post Office at New York, N. Y., under the Act of March 3, 1879. Three Dollars a Year. Please allow at least one month for change of address on membership publications.

F. P. A. Membership (which includes the Bulletin), Five Dollars a Year

Produced under union conditions and composed and printed by union labor.

Washington News Letter



U.S. COMMITMENTS CALL FOR FOREIGN POLICY COORDINATION

The communiqué issued from Moscow by the Big Three on December 24, announcing that a peace conference of the 21 nations "which took an active part in the war against enemy states in Europe with substantial military contingents" will take place not later than May 1, 1946, and the progress made by the United Nations Organization, which is scheduled to start functioning in London on January 10, place greater responsibility than ever on the United States for harmonizing its foreign policy with that of the other United Nations and for establishing machinery at home to assure consistent and efficient cooperation abroad.

STATE-WAR-NAVY COORDINATING COMMITTEE. The foundation for a system coordinating the executive agencies, however, already exists in the State-War-Navy Coordinating Committee (known as Swink), which came into existence in December 1944. It worked out United States policy for the control of Japan and participated in the drafting of directives for the control of Germany and our policy toward Austria. This Committee has reduced, but not eliminated, friction and rivalry over foreign affairs between the State Department and the military agencies. The existence of Swink was kept confidential as a military secret until the end of the war. It has its own secretariat, drawn from the personnel of the three departments concerned. It does its basic work through six subcommittees: European Affairs, the Far East, Latin America, Near and Middle East, Technical Information, Security Control and Rearmament. Its leadership is drawn from the level of assistant secretaries, with James Clement Dunn, Assistant Secretary of State in charge of European, Near Eastern, African and Far Eastern Affairs, as chairman. The primacy of the State Department in the conduct of foreign affairs is acknowledged by the fact that, when Dunn is absent, a State Department official outranked by the War and Navy Department representatives acts as chairman. He is H. Freeman Matthews, director of the Office of European Affairs.

Suggestions for more elaborate cooperation between those three departments are frequently advanced in Washington. Last summer the Budget Bureau proposed to Secretary of State James F. Byrnes that he take steps to end conflicts between his department and the military. Secretary of the Navy James Forrestal on December 12, 1945 pro-

posed creation of a National Security Council that would bring together the Secretaries of the three departments for decision on highest policy in international relations. World War II encouraged tendencies both toward independent action by different government agencies in foreign affairs and toward setting up systems of coordination that would reconcile differences among agencies. The outstanding arrangement for coordination was the establishment, shortly after the attack on Pearl Harbor, of the Joint Chiefs of Staff Committee, where representatives of the Army and Navy could arrive at common decisions on policy relating to high strategy. That committee would cease to exist if Congress acted favorably on the recommendation President Truman made on December 19 that the War and Navy Departments be merged.

COOPERATION WITH CONGRESS. Coordination of the executive agencies in the making of foreign policy will be of little value, however, unless a system is evolved for the close cooperation of Congress and the executive. The appointment by President Truman on December 19 of Senators Tom Connally, Democrat of Texas, and Arthur Vandenberg, Republican of Michigan, among the United States delegates to the UNO, contributed toward this cooperation, but neither President Truman nor Secretary of State Byrnes has carried forward the intimate system of congressional collaboration worked out by Secretary of State Hull. In January 1943 the State Department opened a "seminar" for discussion with selected Senators from both parties about problems in foreign policy, and throughout 1944 Mr. Hull conferred regularly with members of the Senate Foreign Relations Committee and the House Foreign Affairs Committee concerning the Administration's plans for the establishment of machinery for international cooperation. Truman and Secretary of State Byrnes are both former members of the Senate, and they have frequently relied on their innate sense of what Congress wants in devising their policies instead of soliciting directly the views of key members of Congress. This tendency has brought about the collapse of the Hull system, which deserves to be revived. By his regular conferences with members of Congress, Hull bridged not only the gap between executive and legislative branches but also the gap between the Democratic and Republican parties.

BLAIR BOLLES